

Thousand Dollars (\$1,000) or imprisoned for a term not exceeding five years, or both fined and imprisoned in the discretion of the Court.

SEC. 3. *And be it further enacted*, That this Act shall take effect June 1, 1943.

Approved May 4, 1943.

CHAPTER 608.

(House Bill 658)

AN ACT to add a new section to Article 48A of the Annotated Code of Maryland (1939 Edition), title "Insurance", sub-title "Surety, Casualty, Liability and Compensation Insurance", said new section to follow immediately after Section 144 of said Article, and to be known as Section 144A; providing for the setting up and maintenance of premium reserves by title insurance companies.

SECTION 1. *Be it enacted by the General Assembly of Maryland*, That a new section be and is hereby added to Article 48A of the Annotated Code of Maryland (1939 Edition), title "Insurance", sub-title "Surety, Casualty, Liability and Compensation Insurance", to follow immediately after Section 144 and to be known as Section 144A and to read as follows:

144A. PREMIUM RESERVES FOR TITLE INSURANCE COMPANIES. Every corporation heretofore or hereafter authorized to do a title insurance business in this State shall set up, accumulate and maintain an unearned premium reserve as follows: On any contract of title insurance, hereafter issued by a title insurance company, there shall be reserved initially a sum equal to eight per centum (8%) of the original premium, whether or not the risk shall be for a fixed time. If for a fixed time, then at the end of each year for the first four years, there shall be a reduction in the sum reserved of one per centum (1%) of the original premium, and thereafter at the end of each year of the remainder of said time a reduction of a pro rata portion of the remaining four per centum (4%) thereof, except that if the risk is of a mortgagee, trustee in a deed of trust to secure debt, or creditor secured thereby, no reduction shall be made that will decrease the sum reserved below four per centum (4%) of the original premium, until the expiration of the time of the risk. If not for a fixed time, then a risk shall be deemed to